

# JINDALEE

Resources Limited  
ABN 52 064 121 133

## QUARTERLY REPORT TO SHAREHOLDERS

for the three months  
ended 31 March 2012.

### ASX Code - JRL

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This report and further information are  
available on Jindalee's website at:

[www.jindalee.net](http://www.jindalee.net)



## HIGHLIGHTS

- \* Golden West intersects 14m at 60% iron in drilling on Joyner JV licence.
- \* Jindalee increases shareholding in Alchemy Resources
- \* Alchemy Resources (JRL 11%) commences drill testing of AMT geophysical targets at their Bryah Basin project.

## FINANCIAL

- \* The Company has a total of 34.8 million shares on issue
- \* At 31 March 2012 Jindalee had no debt and held cash and shares worth \$14M before tax, (equivalent to **\$0.40 per share**)

A handwritten signature in black ink that reads "Lindsay Dudfield".

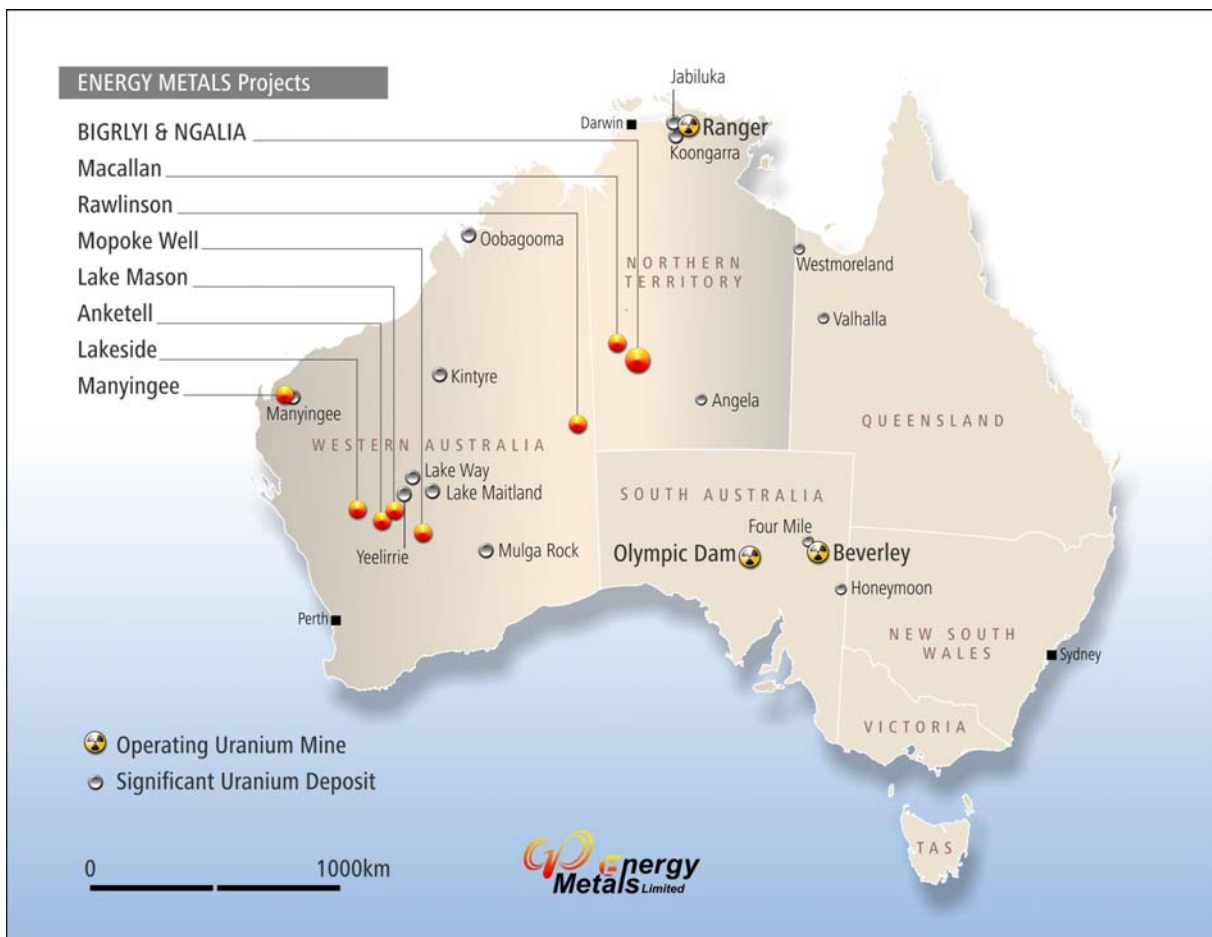
Lindsay Dudfield  
Managing Director  
27 April 2012

## URANIUM

### Energy Metals (Jindalee 9.1% of issued capital)

Jindalee holds approximately 14 million Energy Metals shares, giving shareholders continued exposure to the development of the Bigrlyi uranium-vanadium deposit and the potential of Energy Metals' other uranium projects.

Energy Metals controls 9 projects (total area >4,000km<sup>2</sup>) located in the Ngalia Basin in the Northern Territory (NT) and in Western Australia (WA), with the majority of projects containing uranium mineralization or defined resources. Exploration has largely been concentrated on the main Bigrlyi Project in NT (53.3% owned by Energy Metals), where significant uranium resources, accompanied by economically significant vanadium values have been defined and a prefeasibility study completed. More recently, increasing attention has been turned to other wholly-owned prospects in the region, where there is demonstrated potential to define additional Bigrlyi-style resources.



**Energy Metals Projects**

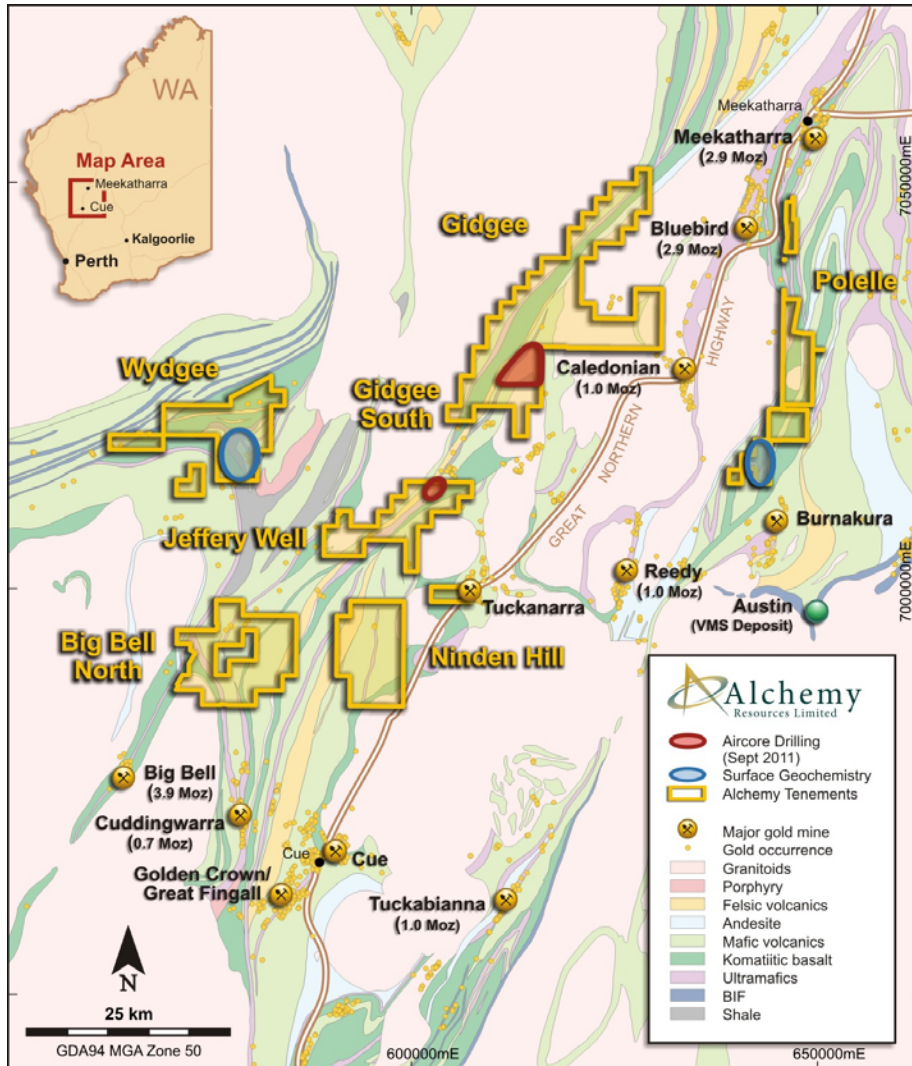
During the quarter, Energy Metals continued work toward the completion of the Bigrlyi Feasibility Study. This has included further mining studies, incorporating the results of infill drilling conducted during 2011, as well as reviewing alternative processing options designed to maximise potential project output. Exploration, aimed at increasing the project mineral resource and testing new potential zones of mineralisation will be undertaken during the northern dry season.

**GOLD**

**Murchison**

(Jindalee 20% free carried)

The Murchison Project comprises over 600 km<sup>2</sup> of prospective greenstone, mostly located between the Big Bell Mine (2.8M oz) and Paddys Flat (2M oz). The Project is a Joint Venture with Alchemy Resources (Alchemy) with Jindalee’s 20% interest free carried to completion of a Bankable Feasibility Study.



**Murchison Project Areas on Regional Geology**

Alchemy is in the process of planning in-fill aircore and targeted RC drilling that will test the most prospective parts of the 1500m-long gold anomalous zone, identified at Jeffery Well. Previous wide-spaced drilling at this prospect had returned several highly anomalous intersections, including one 2m interval at 10.2g/t gold within a 5m interval averaging 5g/t gold, outlining potential to locate internal high grade shoots within this mineralised structure.

Re-assessment of the Wydgee and Ninden Hill projects in 2011 highlighted the base metal prospectivity of these project areas. Mapping by the Geological Survey of Western Australia, in combination with discovery of base metal mineralisation by Silver Swan Group at Austin, Reed Resources at Chunderloo and Silver Lake Resources at Eelya, indicates that the northern Murchison district hosts volcanic sequences with significant base metal potential. Field mapping, rock chip

sampling and surface geochemistry programs over the Wydgee and Ninden Hill projects delineated several areas of gold and/or base metal anomalism that will be the subject of further exploration and drill testing in 2012.

**Yilgangi** (Jindalee 20 % loan-carried)

The Yilgangi project is located in the Eastern Goldfields, approximately 120 km northeast of Kalgoorlie. Newcrest Operations Limited (a subsidiary of Newcrest Mining Limited) farmed into Yilgangi in March 2004 and to date has spent more than \$4M on exploration. Newcrest holds an 80% interest in the project with Jindalee's 20% participatory interest, loan-carried through to a Decision to Mine.

No on-ground exploration was undertaken on the project over the quarter.

**Alchemy Resources** (Jindalee 11.1% of issued capital)

In addition to involvement in the Murchison joint venture projects, Jindalee holds a significant equity interest in Alchemy Resources. This provides shareholders with exposure to Alchemy's expanded portfolio of projects, including Alchemy's Gascoyne region gold and copper-gold projects, located 120km northeast of Meekatharra. Alchemy's Bryah Basin copper-gold project is located to the west of Sandfire Resources' Doolgunna project and covers the extensions of the Narracoota Volcanics, the unit which host Sandfire's high grade DeGrussa copper-gold discovery.

During the quarter, Alchemy completed the acquisition of adjoining tenements from Grosvenor Gold, increasing Alchemy's ground position in the highly prospective Bryah Basin (Gascoyne) region to over 630km<sup>2</sup>. Targeted drill testing of several priority geophysical anomalies outlined from the 2011 AMT survey commenced in March and is ongoing. In their March 2012 quarterly report, Alchemy advised that encouraging zones of copper anomalism and alteration were intersected in the initial drillholes with further work underway to evaluate the significance of these results.

A review of past exploration data by Alchemy has identified a number of other copper-gold targets within the under-explored Grosvenor tenements, including VTEM anomalies within prospective Narracoota volcanic. Field mapping has also identified multiple horizons prospective for base metal mineralisation adjacent to the Horseshoe Lights copper-gold mine. Programs of mapping, soil geochemistry and ground geophysics have commenced over the ground acquired from Grosvenor Gold.

In their March 2012 quarterly report, Alchemy also announced the results of extensional drilling within their Hermes gold project. The results featured one intersection comprising 18m averaging 9.79g/t, including one internal high grade interval of 5m at 32g/t gold. These results indicate that mineralisation at Hermes remains open at depth and that further drilling has good potential to add to the current Indicated Resource base. Alchemy also announced that they were resuming drill testing at the Central Bore gold project, where previously reported drill results had included a number of moderate to high grade intersections, such as 4m @ 25.8g/t Au from 125m; 15m @ 4.89g/t Au from 96m and 9m @ 7.19g/t Au from 35m.

Additional details on Alchemy's exploration and development activities can be found on Alchemy Resources' website: [www.alchemyresources.com.au](http://www.alchemyresources.com.au)

## Cardinia JV

(Jindalee 11% free carried)

Jindalee holds an 11% interest in a group of tenements at Cardinia, located 30 kilometres east of Leonora. The joint venture project forms part of Navigator Resources' extensive Leonora Gold Project holdings. Jindalee's interest in the Cardinia joint venture ground is free-carried to completion of a Bankable Feasibility Study.

There were no developments reported for the Cardinia JV tenements during the quarter. Navigator has appointed PCF Capital in an advisory capacity to assist with investigating strategic alternatives for the development of their Leonora Gold Project.

## IRON ORE

### Joyners

(Jindalee 20% free carried)

The Joyners project is a joint venture with Golden West Resources Limited and forms a part of Golden West's much larger Wiluna West project. Golden West has earned an 80% interest in the joint venture tenements with Jindalee maintaining a 20% equity position, free-carried through to completion of a Bankable Feasibility Study. The joint venture tenements contain indicated and inferred iron oxide resources (Joyners North) estimated to total 7.9 million tonnes at 62.2% iron.

During the quarter, a program of RC drilling comprising a total of 6 holes was completed by Golden West. The drilling was designed to further evaluate the iron ore potential of the favourable horizon within joint venture tenement E53/1089.

The locations of the drill holes are tabulated below.

**TABLE 1. RC DRILL HOLE STATISTICS**

RC Drill Hole Statistics								
Hole ID	Prospect	Tenement	Azi	Dip	AHDRL	MGA North	MGA East	EOH
WWRC2851	CJ	E53/1089	090	-60	588	7030400	792420	80
WWRC2852	CJ	E53/1089	090	-60	585	7030400	792380	80
WWRC2853	CJ	E53/1089	090	-60	587	7030300	792420	72
WWRC2854	CJ	E53/1089	090	-60	585	7030300	792380	80
WWRC2855	CJ	E53/1089	090	-60	573	7030000	792380	78
WWRC2856	CJ	E53/1089	090	-60	570	7030000	792340	96
<b>Total</b>								<b>486</b>

Three of the holes returned encouraging intercepts, in excess of 50% iron over a minimum width of 4 metres. The mineralisation intersected was typical of the other known deposits along the trend, being mainly magnetite banded iron (Bif) with minor intercepts of hematite and goethite.

**TABLE 2. ANOMALOUS RC DRILL HOLE INTERCEPTS**

Anomalous RC Fe Ore Intercepts >4m @ >50%									
Hole ID	From	To	Intercept	Fe %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P %	LOI %	Geology
WWRC2854	14	19	5	52.7	18.1	1.8	0.10	4.2	Sifh
WWRC2855	26	40	14	60.2	4.7	2.5	0.12	6.2	SHGM
WWRC2856	74	78	4	57.9	10.2	1.2	0.11	5.3	SHGM

## CORPORATE

As a reflection of the potential represented by Alchemy Resource's expanded project base, Jindalee participated in and co-underwrote Alchemy's most recent rights issue, increasing our holding in that company from less than 10M to approximately 17.4M shares. This provides Jindalee's shareholders with far greater exposure to the potential upside in the event that Alchemy's exploration efforts within their highly prospective Bryah Basin tenements prove successful.

At 31 March 2012 Jindalee held cash and shares worth approximately \$14M, including \$6.4M in cash assets. These assets, combined with our tight capital structure (34.8M shares on issue) provide a strong base for leverage into new opportunities.

The acquisition of projects with the potential to provide significant growth for shareholders continues to be our primary focus. A number of advanced project opportunities situated both within Australia and in mining friendly overseas countries were examined during the quarter, with several of these properties remaining the subject of ongoing investigations.

Notes: The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Terrence Peachey, who is an employee of the Company and is a member of the Australian Institute of Geoscientists. Mr Peachey has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which he is undertaking, to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves.' Mr Peachey consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward-Looking Statements: This document may include forward-looking statements. Forward-looking statements include, but are not limited to statements concerning Jindalee Resources Limited's (Jindalee) planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should", and similar expressions are forward-looking statements. Although Jindalee believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.